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The ***FEMP MONTHLY UPDATE*** is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of the ***UPDATE*** is to provide FEMP management staff with timely information on topics relevant to the program. This includes the status of pending Federal and state legislation and summaries of public and private sector energy-related activities. The ***FEMP MONTHLY UPDATE*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

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Short Term Energy Outlook, Energy Information Administration, June 2001.

According to EIA's *June Short-Term Energy Outlook*, declining demand from the industrial and utility sectors as well as mild weather across the U.S. led spot natural gas prices to drop to less than \$4 per thousand cubic feet at the end of May. However, southern California prices had the highest prices in the nation, with an average of \$12 per thousand btus during May.

EIA projects this year's annual average wellhead price for natural gas will be about \$4.75 per thousand cubic feet, declining to \$4.24 per thousand cubic feet in 2002.

In gasoline news, gasoline prices averaged \$1.68 per gallon at the beginning of June, with prices in the Midwest and West Coast regions averaging about thirty cents per gallon higher than prices in the South Atlantic and Gulf Coast regions. EIA predicts the average monthly price for regular gasoline in the U.S. to range between \$1.52 and \$1.77 per gallon this summer.

On June 4th, the Federal Energy Management Advisory Committee (FEMAC) held two open discussion sessions at *Energy 2001* in Kansas City, MO. The meeting was an open forum for public and private sector energy professionals to communicate with FEMAC members. Among some of the topics discussed were Federal energy management budget issues, alternative financing, sustainable design, and the use of new and emerging technologies. A summary of the meeting will be available on the FEMP home page by mid to late-July.

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FERC SIGNS MITIGATION ORDER

The Federal Energy Regulatory Commission signed a price mitigation order concerning Western spot market purchases in the State of California on June 18, 2001. The plan includes the following provisions:

CONGRESSIONAL ACTIVITIES

CONGRESSIONAL SCHEDULE

Congress will begin its Fourth of July Holiday recess on June 29 and will return on July 9.

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FY 2001 APPROPRIATIONS

- See [Attachment A](#) – Status of FY 2002 Appropriations chart.

House Actions

FY 2001 SUPPLEMENTAL APPROPRIATIONS On June 21, the House approved the \$6.5 billion *FY 2001 Supplemental Appropriations bill, H.R. 2217*. Key energy-related provisions of interest include

- \$734 million to address the Department of Defense's increased energy costs for FY 2001;
- \$47 million to implement the Department of Defense's energy conservation program in the Western states including California; and
- \$300 million in additional funds to support the Low Income Heating and Energy Assistance Program, which is administered by the Department of Health and Human Services.

The Senate version (see below) is pending floor action.

FY 2002 Interior Appropriations (H.R. 2217)

DEPARTMENT OF ENERGY The Department's Energy Efficiency and Renewable Energy program received \$950.805 million, which represents an increase of \$185 million over the President's budget request and \$127.363 million above the FY 2001 funding level. The bill includes the following programs of interest:

- Expands price mitigation (another term for temporary price caps) **only** to California spot market sales
- Covers the 11-state Western region
- Covers sales that are 24 hours or less and are entered the day of, or prior to, delivery
- Initiates price mitigation when reserves are below seven percent in California ISO spot market
- Extends all provisions to spot market sales within the Western Systems Coordinating Council
- Forbids power marketers to sell above mitigated prices
- “All generators’ bids during reserve deficiencies must reflect the marginal cost to replace gas used for generation”
- “Bidders will be allowed to invoice the California ISO for the costs of complying with NOX and other emissions standards and for fuel used for start-up”
- Forces all public utilities and non-public utilities to offer power into California ISO spot market
- Ends September 30, 2002

Another intended effect of the plan is to reduce the potential for megawatt laundering because the price mitigation rules will be imposed on all Western states, not just California. And, although the rules took effect the day after the order was issued, retroactive refunds may be solved through settlements initiated by June 25th.

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DID YOU KNOW?

Norton Energy Storage of Norton, Ohio, is building the world’s largest compressed-air energy plant. When completed, the 2700 MW generator will power 675,000 homes. The facility is being built in an inactive limestone mine 2,200 feet under ground. [Back to Table of Contents](#)

Federal Energy Management Program – restores \$10 million for the program and specifies the following allocations:

- Project Financing - \$5 million
- Technical Assistance and Guidance (state grants to provide local support) - \$4 million
- Planning, Reporting, and Evaluation - \$1 million

Buildings Sector – funding increases include the following programs of interest:

- Competitive Research and Development - \$6 million
- Building America (Residential Buildings) - \$5 million
- Commercial Buildings Integration - \$2 million
- Equipment Materials and Tools - \$17 million (includes \$2 million for lighting research and development including hybrid lighting)
- Space Conditioning and Refrigeration - \$3 million
- Appliance and Emerging Technologies - \$500,000
- Analysis Tools and Design Strategies - \$1 million
- Lighting and Appliance Standards - \$4 million
- Building Envelope Research - \$6.5 million (includes \$2 million for a competitive solicitation)
- Windows Research - \$3 million (includes electrochromics)
- Other High-Priority Building Envelope Technology - \$1.5 million
- Community Energy Programs - \$10.3 million (includes technical assistance of which \$6 million is for Rebuild America,

\$2 million for information outreach, and \$2.3 million for training and assistance for state and Federal building energy codes)

Power Sector – increases include the following programs of interest:

- Distributed Generation Technologies - \$16.5 million (includes \$4 million for microturbine technology)
- Reciprocating Engine Technology - \$5 million
- National Energy Technology Laboratory support and university research on reciprocating engines - \$3 million (through the Office of Fossil Energy)
- Systems Integration - \$4 million
- Management and Planning - \$500,000 (to provide fixed costs and essential staffing)

Transportation Sector – increases include the following program of interest:

- Clean Cities Program- \$3 million (includes \$300,000 for advanced vehicle competitions)

Industrial Sector – increases include the following program of interest:

- Combustion Systems/Boiler Research - \$1 million

The bill also includes funding for distributed energy and turbine research under the Fossil Energy account and includes the following:

- Turbine Programs - \$18.5 million (includes \$2.5 million for “Vision 21” and \$16 million for the next generation turbines including \$3 million for continuing the Ramjet technology program)
- Distributed Generation Systems/Fuel Cells - \$3 million (includes \$1 million for advanced research and \$2 million for Vision 21/hybrids)

The House also included language specific to the Energy Efficiency and Renewable Energy program that requires the following actions:

- DOE is required to provide the House Committee on Appropriations with a more detailed breakout of funding for future budgets (FY 2003 and beyond) for the distributed generation technologies program.
- The committee expressed the view that DOE has ignored the committee’s reprogramming guidance for the Office of Energy Efficiency and Renewable Energy. The committee states that it will consider addressing this problem with statutory language if violations continue.

The Department’s Energy Information Administration received \$78.499 million, which represents an increase of \$3 million over the President’s budget request and \$2.99 million over the FY 2001 funding level.

DEPARTMENT OF THE INTERIOR

National Park Service - the bill provides funding and guidance for the following programs:

- Extends the Recreation Fee program until 2006 (same as the President’s request) but recommends several changes including raising the number of sites each agency may include in the program

and limiting the use of funds for capital construction to \$500,000 unless approval is obtained from the House and Senate Committees on Appropriations. The committee believes the program will benefit from close Congressional monitoring and directs the Secretaries of the Interior and Agriculture (for the Forest Service) to submit a joint, annual accomplishment report by March 1 of each year so that this information can be considered in the annual budget request. The Recreation Fee demonstration program funds projects at public lands and to date, the program has raised over \$650 million. The National Park Service operates 383 separate and distinct units.

- Operation and Maintenance - \$115.703 million for the repair and rehabilitation account, \$1.531 for the facility management software system, and \$2.656 million to continue facility condition assessments.

U.S. Fish and Wildlife Service – provides \$48.849 million for construction, which represents an increase of \$13 million over the President’s budget request and \$22.209 million below the FY 2001 funding level

Wildland Fire Management – provides \$19.774 for deferred maintenance and capital improvements

Smithsonian Institution – provides \$67.900 million for the repair, restoration, and alteration of facilities and \$30 million for construction for the National Museum of the American Indian on the Mall; both funding levels reflect the President’s budget request, which are above FY 2001 funding levels of \$10.427 million and \$20.521 million, respectively

National Gallery of Art – provides \$14.220 million for the repair, restoration, and renovation of buildings, which reflects the President’s budget request and is \$3.373 million above the FY 2001 funding level

John F. Kennedy Center for the Performing Arts – provides \$15 million for operation and maintenance and \$19 million for construction, which represents the President’s budget request and is above the FY 2001 funding level of \$1.031 million for operation and maintenance by \$956,000

DEPARTMENT OF AGRICULTURE

Forest Service – provides \$11.07 million for construction, which represents an increase of \$100,000 over the budget request and \$5.747 below the FY 2001 funding level. The committee also provides \$535.513 for capital improvement and maintenance, which represents an \$11.786 million increase over the President’s budget request and \$18.086 above the FY 2001 funding level

FY 2002 ENERGY AND WATER DEVELOPMENT APPROPRIATIONS On June 19, the Subcommittee on Energy and Water Development and the full Committee on Appropriations approved an increase of \$1.2 billion over the President’s FY 2002 budget request of \$23.7 billion for programs under the jurisdiction of the subcommittee. The Department of Energy received \$18.7 billion, which represents an increase of \$444.2 million over FY 2001 and \$640.8 million above the President’s request for FY 2002. *Programs that benefited include the Department of Energy’s renewable energy program, which received an increase of 36 percent over the President’s request bringing the total to \$376.8 million.* The bill also provides \$1 billion to support basic energy science research, \$207.8 million for the Power Marketing Administrations, and \$42 million to implement improvements at the agencies science laboratories and nuclear weapons complexes. Renewable energy funding levels include the following:

- Solar Building - \$4.95 million
- Photovoltaics - \$81.775 million
- Electric Systems - \$60 million (Transmission - \$13 million, Superconductivity - \$39.87 million, Storage - \$7.13 million)

- Concentrating Solar Power - \$7.932 million
- Biopower - \$41.01 million
- Biofuels - \$47.95 million
- Wind - \$40 million
- Geothermal - \$27 million
- Hydrogen - \$27 million
- Hydropower - \$3 million
- **DOE Energy Management - \$2.5 million**
- **Federal Buildings - \$0**
- REPI - 4 million
- Renewable Indian Program - \$0
- International - \$3 million
- National Renewable Energy Laboratory - \$5 million
- Renewable Energy Program Support - \$3 million
- Program Direction - \$18.7 million

The full committee is scheduled to take up the bill on June 25. The intent is to pass the bill to the House for consideration before the Fourth of July recess.

FY 2002 TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS Mark up by the full committee was completed on June 20 and provided \$59.1 billion for FY 2002, resulting in an increase of \$1.1 billion over FY 2001. Like the subcommittee mark up, the full committee approved a bill that excludes any prohibition to increase the Corporate Average Fuel Economy standards for vehicles. The prohibitive language was included in the last six annual appropriations bills. In addition, the bill includes \$1.4 billion in funding for clean transportation under the Congestion Mitigation and Air Quality account.

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Senate Actions

FY 2002 APPROPRIATIONS The Senate has yet to introduce or mark up any FY 2002 appropriations bill. A major reason for the delay is the switch in the majority leadership of this chamber.

FY 2001 SUPPLEMENTAL APPROPRIATIONS On June 21, the Committee on Appropriations approved S. 1077, which provides FY 2001 supplemental appropriations for a variety of programs including the Department of Defense and the Low Income Home Energy Assistance Program. Funding includes the following programs of interest:

Department of Defense – provides \$2.842 billion for operation and maintenance activities, which includes funding for energy-related activities as described below.

- Army - \$172.8 million for increased cost of base level utilities, \$300,000 for the energy demand reduction program in California, and \$241 million to reduce current backlog of repair of real property maintenance
- Navy - \$37 million for increased cost of base level utilities, \$14 million for the energy demand reduction program in California, and \$44 million to reduce current backlog of repair of real property maintenance
- Marine Corps - \$38 million for increased cost of base level utilities and \$5.4 million for the energy demand reduction program in California
- Air Force - \$136.2 million for increased cost of base level utilities and \$4.8 million for the energy demand reduction program in California
- Defense-Wide - \$23.9 million for increased cost of base level utilities
- Army Reserve - \$13.5 million for increased cost of base level utilities
- Navy Reserve - \$5.5 million for increased cost of base level utilities
- Marine Corps Reserve – Unspecified funding is requested for increased cost of base level utilities
- Air Force Reserve - \$6 million for increased cost of base level utilities
- Army National Guard - \$13.9 million for increased cost of base level utilities
- Air National Guard - \$16.3 million for increased cost of base level utilities

The bill also provides additional funding for military construction as provided below:

- Military Construction, Air Force - \$18 million to carry out a military construction and renovation project at the Masirah Island Airfield in Oman
- Family Housing, Army - \$27.2 million to pay for increases in cost of utilities during FY 2001
- Family Housing, Navy and Marine Corps - \$20.3 million to pay for increases in cost of utilities during FY 2001
- Family Housing, Air Force - \$18 million for operation and maintenance; \$16.7 million of which for increases in cost of utilities during FY 2001 and \$1.3 million for a DOD initiative to reduce peak demand for electricity in California

Senator Robert Smith (R/NH) has threatened to filibuster the bill if a \$20 million provision to provide disaster relief to drought-stricken farmers located in the Klamath Basin is not included in the bill. Senator Smith and Chairman Robert Byrd (D/WV) were reportedly discussing a resolution to the issue at the end of last week.

STATUS OF PENDING AUTHORIZATION BILLS AND OVERSIGHT ACTIVITIES OF INTEREST

House Actions

PRICE CAPS FOR WESTERN POWER Not all House Democrats are satisfied with last week's decision by the Federal Energy Regulatory Commission (FERC) to restrict the price of power in 11 Western states including California through September 2001. A number of Democratic Representatives from California were critical of the decision because the order does not address price gouging.

Senate Actions

PRICE CAPS FOR WESTERN POWER As a result of action taken last week by FERC, a Senate bill to impose price caps will be held for now. Jeff Bingaman (D/NM) the new Chairman of the Committee on Energy and Natural Resources, which has jurisdiction over the issue, was asked last week by the bill's sponsors, Senators Diane Feinstein (D/CA) and Gordon Smith (R/OR) not to move forward at this time. Senator Smith said the FERC decision "renders substantially moot our legislation." The two Senators are willing to wait for the time being in order to determine the impact the FERC order will have on the price of Western power.

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NEW LEGISLATIVE INITIATIVES OF INTEREST TO FEMP

- See [Attachment B](#) – New Legislation of Interest to FEMP

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HEARINGS OF INTEREST TO FEMP

House

HEARING ON WESTERN POWER CRISIS On June 20, the Committee on the Budget, which is chaired by Jim Nussle (R/IA), held a hearing on the effects of national energy policies on economic growth and the Federal budget. The committee received testimony from DOE's new Deputy Secretary, Francis Blake, and the Chairman of the Council on Economic Advisors, Glenn Hubbard. In his opening remarks, Chairman Nussle said,

There are clear and undeniable links between energy policy and economic growth and how these affect the decisions we make in the Budget Committee as we write the nation's budget. Current instability in energy markets may limit the growth of the economy and lead to lower than expected federal revenues which could threaten our ability to meet the commitments spelled out in the federal budget...it is imperative to examine these links with an eye toward stabilizing markets

In his testimony, Deputy Secretary Blake focused on major trends in energy markets and changing patterns in domestic consumption including the imbalance between the demand for energy and supply. He told the committee that the Department projects an annual 1.3 percent increase in demand between now and 2002, requiring 179 quads vs. 99 quads in 2000. He also addressed the trend of energy consumption and the electricity mix and told the committee, "This trend will likely continue as our high technology economy becomes more dependent on electricity to power everything from our computers, to our cell phones and palm pilots. At this time, the mix of fuels we use to generate electricity has changed and will continue to do so over the next 20 years, with natural gas predicted to be the fuel choice for most new power plants." He defended the positive economic effects of the President's National Energy Policy by saying that it was balanced and that "it is important that we develop the tools to more critically evaluate the effect of energy policies on the economy." Mr. Hubbard's testimony supported that of Mr. Blake and said, "With the aid of thoughtful policy, market adjustments will bring forth additional supplies and improve efficiency in consumption."

NATIONAL ENERGY POLICY Last week, the Subcommittee on Energy and Air Quality (Committee on Energy and Commerce) held a hearing on the President's National Energy Policy. David Garman, DOE's new Assistant Secretary for Energy Efficiency and Renewable Energy (EERE), testified before the subcommittee. In his remarks, he discussed the agency's series of six public meetings to obtain public input on the EERE R&D and related programs including FEMP. The hearings are being held between

June 12 and June 26. Subcommittee Chair Joe Barton (R/TX) told Mr. Garman that the EERE programs “were not well-run and not cost effective” and asked that the public provide comments on whether the programs are “delivering” on their program goals and objectives. Mr. Garman responded “we will begin reviewing all EERE programs to determine their performance and potential in terms of delivering benefits to the public. We have committed to reevaluating those programs that have not made progress toward national energy goals.” A report on the results of the EERE review is due to Secretary Abraham by September 1.

Senate

HEARING ON WESTERN POWER CRISIS On June 20, the Committee on Governmental Affairs held the second in a series of hearings on the role of the Federal Energy Regulatory Commission in addressing the Western power situation to ensure just and reasonable consumer rates. The discussion focused on the new FERC order to establish temporary price limits for California and 10 other Western states. Governor Gray Davis (D/CA) along with the five FERC Commissioners testified before the committee.

Governor Davis told the committee that the recent FERC order addresses only part of the problem urging FERC to “move quickly to enforce the law and order the energy companies to give back the money” that consumers were overcharged. He noted that according to the California Independent System Operator, wholesale generators overcharged ratepayers by \$9 billion and to date FERC has found only \$125 million in overcharges. In the new FERC order, the state and generators are given two weeks to resolve the refund issue before the agency imposes a resolution. Chairman Joseph Lieberman (D/CT) assured Governor Davis that he would encourage FERC to grant refunds.

Patrick Wood, one of the two new FERC commissioners, told the committee that, in addition to seeking refunds for overcharges, Congress should consider empowering the agency to seek “triple damages” for price gouging. He told the committee, “Ordering refunds is one issue...but an administrative penalty is perhaps a useful tool in our tool chest, and I think perhaps even treble damages much as exist in antitrust laws.... If we’re going to be a vigilant market cop, we need to make sure our bark matches our bite.”

Echoing this line of thinking, the other new commissioner, Nora Mead Brownell said, “You don’t just open the market, declare victory, and walk away.”

In his remarks, Chairman Lieberman said

I’m relieved the Commission has asserted itself more aggressively to address the severe problems in Western power markets. Although, I am also concerned that even at this late date it has not done all that it could. The price limits established by FERC may still be too high. And ratepayers – in California and in other states – may still deserve refunds for overcharges that have been imposed on them.

Also last week, Chairman Lieberman announced a “three-pronged approach” to addressing the Western energy power situation. In a letter to the FERC Chairman, Curt Hebert, Senator Lieberman outlined his proposal:

- FERC order should address rates, terms, and conditions of wholesale sales and transmission for all hours and throughout the entire Western interconnection.
- FERC should consider a guarantee that its mitigation measures remain in place for a sufficient period of time to allow additional generation capacity including ample reserves, to be developed.
- Utilize FERC and state expertise with cost-of-service and load-differentiated-demand based rates to ensure just and reasonable rates and restore stability in the Western electricity market on an interim basis.

FEDERAL AGENCY ACTIVITIES

WHITE HOUSE ACTIONS

Presidential Nominations

The following individuals have been nominated by the President to assume senior management positions that may impact Federal energy management:

- **Assistant Secretary of the Air Force for Installations and Environment** – Nelson F. Gibbs, currently Executive Director of the Cost Accounting Standards and the Office of Management and Budget (*announced intention to nominate*)
- **Assistant Secretary of Veterans Affairs for Management** – Claude B. Hutchinson, Jr., currently Managing Director of the Strategic Marketing Group of LECG, Inc. (*announced intention to nominate*)
- **Administrator of the Rural Utilities Service, Department of Agriculture** – Hilda Gay Legg (*nomination sent to the Senate June 21*)

GENERAL ANNOUNCEMENTS

ATLANTA REGION

General Energy Conservation/Building Construction/Retrofit Projects

The Army Corps of Engineers has announced a solicitation seeking a contractor to perform a market survey to identify additional sources and increase competition acquisition opportunities for **Direct Digital Controls** for HVAC equipment at Hulbert Field in Florida. To obtain additional information on Solicitation Number MICH01-01-0002-02, contact Karen Johnson at 334-690-2535.

PHILADELPHIA REGION

Utility/DSM Activities

The National Institutes of Health has issued a Request for Proposal to select a contractor to construct and maintain a firm natural gas transportation service capable of delivering 40,000 Mcf/day. The service is being sought for the agency's facility in Bethesda, Maryland. For additional information, contact Kenneth Roman at 301-435-4332 and refer to Solicitation Number 292-01-P(HA)-0009.

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SEATTLE REGION

Utility/DSM Activities

The Air Force Space Command is seeking a provided of green power for Vandenberg Air Force Base in California. For more information on Solicitation Number F04684-01-R-0010, contact Betty Rosewaren at 805-605-8470.

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STATE AND LOCAL GOVERNMENT ACTIVITIES

ATLANTA REGION

► *General State Activities*

The Florida Public Service Commission announced they are performing well according to summer electricity forecasts. The state projects a reserve margin of 21 percent, half of which will be fulfilled by load management techniques. A regulatory analyst noted "It would have to be an unplanned outage, an explosion at a generator – just something crazy – for us not to have enough electricity to meet demand." Commission officials believe that the high reserves are the result of annual updates of the 10-year utility plan, which "encourages companies to seek permitting and build plants on a strict schedule to maintain pace with Florida's fast-growing population." (Source: *Electricity Daily*, June 20, 2001)

► *Status of Utility-Related Activities*

John Jurewitz, Energy Economist for the State of California, briefed the Florida Energy 2020 Study Commission on "lessons learned" from California's restructuring experience. He recommended "going slowly" with restructuring and indicated that since Florida's electric market is governed by a "different set of controls and a different market altogether," the state would not see reliability problems with deregulation, but perhaps higher prices. (Source: *The Orlando Sentinel*, June 1, 2001)

North Carolina may have put deregulation on the back burner, but another utility-related problem is brewing. The Study Commission on the Future of Electric Service in North Carolina is focusing on the significant debt of North Carolina's municipal utilities. Another problem is the disparity in electric rates for residential versus commercial consumers. While the City of High Point has absorbed a 28 percent increase in electric rates over the past eight years, the retail rate for High Point customers increased by only seven percent. (Source: *High Point Enterprises*, June 7, 2001)

The State of Georgia passed a net metering requirement allowing customers who generate their own electricity to be “compensated at a higher than avoided cost rate if the utility uses the power to supply a green pricing program.” Solar photovoltaic, fuel cell, and wind systems up to 10 kW (residential) and 100 kW (commercial) apply. Currently, state law allows customer generators to be reimbursed by their utility for excess renewable energy produced. (Source: *Green Power Network*, June 1, 2001)

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BOSTON REGION

► *General State Activities*

New York officials are gearing up to revamp their energy plan, which will focus on the state’s increased reliance on natural gas as an electric generation fuel, power prices, transportation, and environmental issues. The energy planning board will consider written comments from interested parties until the middle of June. The energy planning board has a budget of \$150 million for energy efficiency projects for 2001. Frank Bishop, Executive Director of the National Association of State Energy Officials in Washington, DC, commented that “New York’s [energy plan] is probably the most thorough...[of any] in the country.” (Source: *Powermarketers.com*, June 4, 2001)

The grandfather clause for power plants in the State of Connecticut will most likely be eliminated, after the Senate passed a bill requiring the state’s six oldest power plants to meet the same emissions standards as newly built plants. Governor John G. Rowland (R) will most likely approve the bill. Given until 2004 to clean up their act, the utilities that own the plants argue “Connecticut consumers can expect to see sharp increases in the cost of electric power and a serious threat to the reliability of that power, with no meaningful environmental benefit in return.” Supporters of the bill disagree, stating that “this is a great victory for the people of the State of Connecticut, especially those that suffer respiratory ailments.” (Source: *Greenwire*, May 31, 2001)

Economic analysts in the State of Maine are calling Maine’s electric deregulation plan a disappointment. Charles Colgan, economist at the University of Southern Maine, found that “retail prices have remained essentially the same [since deregulation started].” The electric market infrastructure has changed significantly while rates have not fluctuated. (Source: *Press Herald*, June 5, 2001)

New York Governor George Pataki’s (R) recent executive order requiring that state agencies purchase 10 percent of their electricity from renewable sources by 2005 and 20 percent by 2010 has had widespread popular support from environmental groups. The American Wind Energy Association announced that New York is the “largest state renewable energy procurement commitment in U.S. history.” The Governor’s order will result in state purchases of 165 million kWh/year of renewable energy. Governor Pataki also commissioned a task force to investigate other ways of reducing state emissions. (Source: *Lycos E-wire*, June 13, 2001)

► *Status of Utility-Related Activities*

The Massachusetts electricity market is now hotter than ever and spurring outside competitive suppliers to enlist. Despite the fact that only five percent of the Massachusetts electric market is supplied through a competitive environment, “for the first time in four years, the state seems to be positioned to start providing consumers and ratepayers choice in their energy service.” The Energy Services Group, an e-commerce company that conducted an assessment of the market, also asserted that New England energy companies have a stable billing system infrastructure in place, which allows them to offer discounted rates to customers. (Source: *Business Wire*, June 7, 2001)

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CHICAGO REGION

► *General State Activities*

The State of Michigan will reap increased electric supply from 20 planned power plants. Experts say that Michigan will not undergo the “California experience.” (Source: *Greenwire*, June 5, 2001)

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DENVER REGION

► *General State Activities*

With mixed support from Texas utilities, a **conference committee of the Texas legislature compromised on a bill that will eliminate the grandfather clause on older power plants and require them to reduce their emissions by 50 percent by 2007.** Plants in less polluted areas of the state have until 2008 to reduce emissions by 20 percent. The Texas Chemical Council was pleased to have a resolution to the issue, commenting “The main thing is, this gets us to an ending point.” (Source: *Houston Chronicle*, May 26, 2001)

The Western Governors Association is seeking proposals for the organization’s Border Energy Project. The project will involve the conduct of energy audits in the U.S.-Mexico Border region. In their announcement, the Association states that the purpose of the project is to “accomplish the emissions-reduction objective through increased energy efficiency and alternative/renewable energy sources in the border region. Audits will be performed on institutional, commercial, and industrial facilities and will result in a set of case studies with specific recommendations for reducing energy use. For additional information, contact Richard Halvey at 303-623-9378.

► *Status of Utility-Related Activities*

The State of Nevada signed legislation that will reduce the likelihood of power shortages and increase the use of renewable energy resources. The law requires that five percent of Nevada Power and Sierra Pacific Resources’ generation be produced from renewable sources by 2003 and that fifteen percent be generated from renewable sources by 2013. Projected renewable energy use for electric generation for the years 2003 and 2013 is 260 MW and 1,000 MW, respectively. Consumer advocates applauded the law, noting that it will produce in-state jobs, “keep energy dollars at home, and [become] desirable for many states with abundant renewables.” (Source: *Wind Energy Weekly*, May 25, *Las Vegas Review-Journal*, June 9, and *PR Newswire*, June 12, 2001)

Oklahoma State Legislators overturned a movement to deregulate the electric market in 2002 and pushed the date back until 2004 or later. A task force was commissioned, however, to investigate options for restructuring the market. The task force will monitor restructuring in other states and investigate whether the state’s transmission grid can handle a competitive market. The task force report will be submitted in December of 2002, at which point the legislature will decide how to proceed with formulating an energy plan. The Governor is expected to sign the bill. (Source: *The Daily Oklahoman*, May 25, 2001, and *Dow Jones Newswires*, May 23, 2001)

Other parties studying restructuring in Oklahoma claim that if the state deregulates, “residents and businesses could pay an additional \$468 million for power each year.” The study, completed by Oak Ridge National Laboratory, indicates that rates would increase 12 percent for residential customers, 18 percent for commercial customers, and 28 percent for industrial customers within the next few years. The laboratory report was commissioned by the Oklahoma Corporation Commission (OCC). Denise Bode, OCC Commissioner, noted that the Oak Ridge analysis will “be an important energy planning tool for Oklahoma to determine the impact of new generation, need for transmission, and other energy management tools in the future.” (Source: *The Daily Oklahoman*, June 11, 2001)

Governor Kenny Guinn (R) and the Nevada legislature are **close to approving legislation that would open the markets to alternative energy companies for electricity users with annual consumptions exceeding 1 MW, as well as for educational institutions, local governments, and hospitals.** The legislation would affect 310 large customers of Sierra Pacific and Nevada Power; both utilities support the bill and noted that a reduced load would reduce peak costs for customers. (Source: *Electricity Daily*, June 4, 2001)

A bill requiring Nevada utilities to purchase “gradually increasing” amounts of electricity generated from renewable sources has passed through both houses and is expected to be signed by Governor Kenny Guinn (R). The bill would require 15 percent of a utility’s energy portfolio to be comprised of electricity generated by renewable energy by 2013. (Source: *Greenwire*, June 5, 2001)

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PHILADELPHIA REGION

► *Status of Utility-Related Activities*

According to analysts investigating the Pennsylvania power market, deregulation might be faltering. Phillip Bryant of the Power Observer charges that higher wholesale prices combined with the rate freeze have shut out alternative supplier competition. At the beginning of Pennsylvania’s restructuring experiment, more than 30 suppliers were competing. That number has dropped to less than 10. Notably, 19,000 residential, 14,000 commercial, and 700 industrial customers have switched back to their traditional supplier during the first quarter of 2001. Other groups agree that Pennsylvania’s success story is rapidly becoming less than favorable. **The AFL-CIO Utility Caucus of Pennsylvania finds that “while utility industry profits have risen continuously...reliability and service levels have fallen as have the number of utility jobs related to service delivery.”** A Keystone Research Center analysis found that utilities have reinvested merely five percent of their profits to upgrade operations, utilities have eliminated over 7,500 jobs, and \$15 billion in profits has been diverted out of state. Notably, reports of blips in reliability have doubled, and the average utility outage lasts 30 minutes longer than when deregulation first began in the state. (Source: *Business Wire*, June 6, 2001, and *PR Newswire*, May 30, 2001)

When asked about the possibility of removing rate caps in the State of California, Governor Tom Ridge (R) urged the PUC to retain rate caps. Governor Ridge noted that all consumer groups were involved in the discussion and decision to implement rate caps. (Source: *Patriot-News*, June 8, 2001)

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SEATTLE REGION

► *General State Activities*

California Governor Gray Davis (D) signed an executive order that will remove air pollution restrictions on natural gas power plants. Plants will be permitted to run more often and generate higher output in times of limited electricity. For those plants that exceed regulatory limits, a \$7.50/pound pollution abatement fee will be assessed. In addition, plants will pay \$1.10 for each pound of carbon monoxide released. (Source: *Greenwire*, June 12, 2001)

The California Department of Water Resources recently signed 14 new long-term electric power contract commitments, thus increasing the total number of contracts to 38. Department of Water Resources Deputy Director Ray Hart claimed “California aims to cover half of its needs for on-peak periods – 16 hours a day, six days a week when power demand is highest – with long-term contracts.” (Source: *Bloomberg*, June 7, 2001)

The Federal Energy Regulatory Commission implemented a “price mitigation plan” for California, essentially creating a price benchmark that will be initiated during power emergencies. The order also requires the state to furnish weekly reports detailing plant outages and bid data and generators to offer available capacity to the grid operator. Some analysts say that these rules should be imposed at all times, not just in power emergencies. (Source: *Greenwire*, June 5, 2001)

Through funds provided by the California Energy Commission, the **Power-Pact program was launched as a service to provide “real-time, interactive alerts that will allow businesses to take immediate steps to avoid rolling blackouts in California.”** There are over 10,000 businesses supporting the program, and those who choose to actively receive services will receive information on facility energy consumption, the ability to curtail energy at a facility by a quick phone call or online response, and the ability to alert other office managers or building workers that usage should be reduced. PAR3 Communications, the company which developed the technology, notes that “PAR3’s platform meets the needs of companies that must reach their customers with time-sensitive, personalized information.... The ability to deliver personalized alerts and response options enables utilities to interact intelligently with customers on a one-to-one basis, providing time-sensitive, account-specific information that immediately benefits the businesses.” (Source: *PR Newswire*, May 9, 2001)

► *Status of Utility-Related Activities*

The Washington State Legislature will require electric utilities to provide renewable energy purchase options to its customers as of January 1, 2002, via wind, solar, geothermal, landfill gas, wastewater treatment gas, wave or tidal action, biomass, and low-impact hydro sources. Utilities will alert customers of renewable options through monthly statements. Other policy-related events include the extension of tax exemptions for solar, wind, and fuel cell projects and for geothermal energy development. (Source: *Green Power Network*, June 1, 2001)

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UTILITIES AND SUPPLIER ACTIVITIES

GENERAL ANNOUNCEMENTS

Electricity prices outside California have dropped 50 percent compared to prices at this time last year. According to Platts, the energy information group within the McGraw-Hill Companies, energy price drops are the effect of declining costs in natural gas and the “unusually high” costs of wholesale power a year ago. Experts are not forecasting a price upswing outside of California until “at least the summer” because new plants are coming online and gas prices are stable. (Source: *Business Wire*, May 25, 2001)

A group of utilities have formed the National Electric Reliability Coordinating Council to protect themselves against clean-air lawsuits waged by the Environmental Protection Agency. Chief Council of the group is Haley Barbour, former chair of the Republican National Committee. The group finds themselves “struggling to understand and comply with an environmental program called new source review.” New source review requires utilities to modernize their emissions-control equipment when upgrading their systems. The EPA charges that the utilities have “skirted” the requirement by calling their investments routine maintenance.” Mr. Barbour claims that the EPA was “changing the rules on the utilities by reinterpreting language in the Clean Air Act.”

Utility members of the Edison Electric Institute and the Alliance of Energy Suppliers are promoting a bill that would accelerate depreciation of generating assets from 15-20 years to seven years. Essentially, this would “give companies the encouragement needed for increased investment in

assets that can improve the reliability of the nation's electric system, contribute to a cleaner environment, and help keep electricity prices low." This legislation will most likely be attached to a larger omnibus tax bill in order for it to be passed. (Source: *Electricity Daily*, June 5, 2001)

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ATLANTA REGION

No activities of interest to FEMP.

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BOSTON REGION

► **General**

New York City electric generating plants will most likely be served by an additional 220 million cubic feet per day of natural gas from western Canada, following a preliminary approval order by the Federal Energy Regulatory Commission. Iroquois Gas Transmission System will transport the gas to Consolidated Edison via a 375-mile interstate pipeline through the Canada-U.S. border, but final approval hinges on an environmental impact assessment. (Source: *Reuters*, May 30, 2001)

► **Public Benefits Programs**

The New York State Senate approved a \$2.2 billion tax cut designed to eliminate taxes on thermal windows, furnaces, insulation, and caulking. Additionally, the bill provides for a home energy assistance tax credit to assist low income residents and will provide \$40 million to remove the state tax on gasoline and diesel fuel. (Source: *Tax Analysts, Tax-Base: State Overview*, May 24, 2001)

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CHICAGO REGION

► **Restructuring Activities**

In July, Xcel Energy will submit a request for proposals for renewable energy projects to be funded through the utility's Renewable Development Fund. Currently holding \$16.5 million in funds and increasing by \$8.5 million per year, the program helps finance commercial technology, experimental technology, and research and development projects. (Source: *PR Newswire*, June 6, 2001)

► **Public Benefits Programs**

Chicago City Environment Commission Bill Abolt says that the city is trying to become the nation's leader in developing and manufacturing green technology. Officials say that within five years 20 percent of the city's electricity will come from renewable sources. (Source: *San Francisco Chronicle*, June 20)

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DENVER REGION

► *Public Benefits Programs*

The Salt River Project launched “Earthwise Energy,” a new green pricing program which offers customers an extra 100W blocks of renewable energy for an additional \$3 per month. Already, 900 customers have signed up since the start date of April 1. This program will take the place of the current Solar Choice program. (Source: *Green Power Network*, June 1, 2001)

Dallas-Fort Worth and Houston residents are able to purchase power through LowerMyBills.com and receive up to \$250 instantly on their electric bill. Residents are given the option to purchase electricity produced from 100 percent renewable sources. Participating utilities include New Power Company, Shell Energy, Entergy Solutions, First Choice Power, Reliant Energy, and TXU Energy Services. The program is on a first-come, first-served basis. (Source: *PR Newswire*, June 4, 2001)

An energy efficiency tax bill was passed out of a Utah legislative panel this week. The bill would grant a tax credit for energy-efficient systems. Residential consumers would be eligible for \$2,000, and businesses would be eligible for up to \$50,000. (Source: *Salt Lake Tribune*, June 22, 2001)

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PHILADELPHIA REGION

► *Public Benefits Programs*

PECO Energy is offering a new “Smart Returns” program, wherein large customers can receive financial rewards for reducing energy use when requested. The program will commence on June 1, 2001, and end on May 31, 2002, and is available to 300 customers with over 9 million kWh demand each year. Greg Dudkin, Vice President of Customer and Marketing Services at PECO, said “with Smart Returns, PECO can free up electricity from volunteering customers and sell that electricity to others when it would be mutually beneficial. PECO will then share the financial gain with participating customers.” (Source: *PR Newswire*, May 31, 2001)

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SEATTLE REGION

► *Restructuring Activities*

Interest groups are wondering if the Bonneville Power Administration (BPA) should be reformed. The Northeast-Midwest Institute commissioned a new report entitled “Rethinking Bonneville: Why BPA Must Be Reformed.” The Institute questions whether the Federal Government should be involved in business “in the 21st century,” what price the Federal Government should charge customers, and who should be eligible to receive such lower rates. The Institute recommends that the Administration sell its electricity at market prices. (Source: *Greenwire*, May 31, 2001)

Pacific Gas & Electric lost a ruling through a Federal bankruptcy judge that would have allowed it to pass on charges to its customers to recover back debt. California Public Utilities Commission President Loretta Lynch applauded the decision, commenting “PG&E cannot evade proper state regulation while in bankruptcy proceedings.” The deregulation law invoked in 1996 stated that once utilities recovered their investment costs through deregulation, the rate freeze could be lifted. The rules changed, however, when the utility began running up significant debt to buy

wholesale power, and now the utility cannot unearth itself from a rate freeze for an even longer period of time. (Source: *Reuters*, June 2, 2001)

Governor Gray Davis (D) declared “[California] is turning a corner.... [The state] has basically won the war against high energy prices.” The drop in rates is attributed to an increase in the number of online plants, cooler weather, and energy conservation, as well as a Federal Energy Regulatory Commission order issued May 29th to restrain electricity wholesale prices during power emergencies. Over the past year, conservation practices alone have resulted in an 11 percent drop in electric demand. Spot prices for electricity have fallen to \$70 per megawatt-hour from \$400 per megawatt-hour in May. Electric prices are the lowest they have been in over a year, and natural gas prices are falling as well. (Source: *Greenwire*, June 8, 2001)

A group of over 60 California businesses have joined to form the Coalition for Energy Action, an organization determined to voice their concerns and influence over the state’s energy policy making. Specifically, the coalition is upset that “the business community ...will be left paying a disproportionate share of the tab.... Business consumers [will] have to subsidize residential users.” The group is unhappy that the PUC increased electric rates for larger commercial customers while 60 percent of residential customers will have no increase. While the legislature attempts to pacify big business by drafting a bill to allow large consumers to purchase electricity directly from generators, business leaders are not pleased, despite the fact that electric costs might actually be less than under the new PUC rate increase. (Source: *Wall Street Journal*, June 4, 2001)

► ***Public Benefits Programs***

The Bonneville Power Administration and the Bonneville Environmental Foundation have signed an agreement to collectively promote the green tags program. The Power Administration has committed to sell renewable power at market rates, while the Environmental Foundation will market the green tags at “above-market costs of generating the renewable power.” The Environmental Foundation will in turn use the revenues toward enlarging the \$15 million renewable resource fund for the Pacific Northwest. (Source: *Green Power Network*, June 1, 2001)

Electric rates for customers of the Bonneville Power Administration will rise by 75 percent on October 1, 2001. Rates could potentially increase by 150 percent if customers do not reduce present loads. Utilities that buy only small amounts of power from the Federal utility will see very little impact on their rates. (Source: *Electricity Daily*, June 12, 2001)

The Metropolitan Water District (MWD) of Diamond Valley Lake, California, recently brought the first hydroelectric generator online since 1995. The facility will produce enough energy to power 13,000 residences for a year in the first stage of production, and after all units are converted over 40,000 residences could be powered per year. Although the reservoir was built to provide California with drinking water in drought conditions, it now is used to provide much-needed electricity for the state. MWD forecast that by combining production and conservation measures, the facility will provide the state with almost 150 MW of power. The electricity will be provided to California customers through prices established by the California Independent System Operator. (Source: *Business Wire*, May 30, 2001)

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ALTERNATIVE FUELS AND VEHICLES

GENERAL ANNOUNCEMENTS

Clean Cities Update

DOE recently announced the following Clean Cities Award winners for the 2001 Broad-Based Office of Transportation Technologies/Clean Cities solicitation: the Northeast Sustainable Energy Association's Tour de Sol, the Eighth International Conference and Exhibition, the 20th National Natural Gas Vehicle Conference and Exhibition, the Training Local Clean Cities Coalitions on Becoming Self-Funding Interactive Seminar, the Outreach to State Transportation and Energy Policy Decision Makers, the Transportation Intermediary Market Analysis and Training program, and the Assistance for Alternative Vehicle Issue project. Additional information about these projects can be found at www.ccities.doe.gov/bbs2001_winners.shtml.

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ATLANTA REGION

Infrastructure Activities

The nation's first retail biofueling station will open to the general public on June 20th in Aiken, South Carolina. The station will offer a variety of Biofuels: E85 (85 percent ethanol and 15 percent gasoline), B20 (20 percent biodiesel and 80 percent conventional diesel), and B100. The station will also offer liquefied petroleum gas also known as propane. (Source: www.ccities.doe.gov/whats_new.shtml)

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BOSTON REGION

General Announcements

The 13th Annual Tour de Sol: The Great American Green Transportation Festival was held May 19-26. Organized by the Northeast Sustainable Energy Association (NESEA), the Tour de Sol began in Waterbury, Connecticut, and finished in Boston. The festival also included exhibits and events in Albany, New York, and Pittsfield, Greenfield, and Worcester, Massachusetts. For more information, including vehicle winners, visit www.nesea.org.

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CHICAGO REGION

AFV Fleet Acquisitions

On June 4, City of St. Louis buses will start using soy-based biodiesel. Biodiesel can be used in any diesel engine and is the only alternative fuel that meets the Health Effects testing standards of the *Clean Air Act*. (Source: *Green Energy News*; June 4, 2001)

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DENVER REGION

General Announcements

On May 26, the Texas Legislature passed the Texas Emissions Reduction Plan (TERP) aimed at reducing the amount of harmful diesel emissions from heavy-duty and light-duty vehicles. TERP includes approximately \$103.6 million in incentives annually toward the reduction of heavy-duty diesel emissions and \$23.3 million annually toward the reduction of light-duty diesel emissions. The plan also includes provisions to promote public outreach about the incentives. (Source: www.ccities.doe.gov/whats_new.shtml)

AFV Fleet Acquisitions

Ford Motor Company and the National Park Foundation teamed up to convert an historic National Park bus into an alternative fueled vehicle powered by propane. For over six decades, the canvas-topped Red Bus #98 and 32 similar buses carried tourists around Glacier National Park in Montana. Due to environmental concerns, the buses were taken out of service in 1999. Today, the National Park Foundation hopes to put all 33 buses back in service by converting them to alternative-fuel vehicles. (Source: *EV World*, June 8, 2001)

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PHILADELPHIA REGION

General Announcements

The Federal Transit Administration award ceremony for the Bus Rapid Transit (BRT) Vehicle Design Competition was held on June 18th in Washington, DC. Winners from around the world were honored. The top four winners were Village Technology for SMRTran-ITS for Baltimore Harbor, Toyota Motor Corporation for Innovative Bus Design for the Future South Miami, Portland and Co. for Road Rail for Portland Maine, and University of Manoa for The Honolulu City Surfer. The event also included a display of BRT technology innovations, technology designed to improve the efficiency and environmental performance of buses. (Source: *EV World*, June 16, 2001; *CALSTART News Notes*, June 18, 2001; *CALSTART News Notes Consortium News*)

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SEATTLE REGION

General Announcements

The EPA has denied the State of California's request for a waiver from the oxygen requirement for reformulated gasoline. The *Clean Air Act* requires major metropolitan areas to add oxygen to reformulated gasoline to reduce ozone air pollution problems. Since Methyl Tertiary Butyl Ether (MTBE) will be phased out in California by December 31, 2002, the state will be required to use ethanol as an alternate method of adding oxygen. California contends the use of ethanol will cause gas prices to rise and maintains that it could meet *Clean Air Act* air quality standards without the use of ethanol. (Source: *Environmental News Service*, June 13, 2001; *CALSTART News Notes*, June 15, 2001; EPA Press Release, June 12, 2001; *Greenwire*, June 12, 2001)

The Washington Senate passed a measure that grants regional governments the authority to levy taxes to fund transportation projects. The measure is pending public approval. The bill would allow regional governments to place a sales or motor vehicles tax of not more than 0.5 percent, impose a motor vehicle license of not more than \$100, and impose parking fees of no more than 10 percent. The bill also includes provisions to allow tolls on certain roads and provides for congestion relief districts. For a copy

of the bill, visit www.leg.wa.gov/wsladm/billinfo/dspBillSummary.cfm?billnumber=6140. (Source: *Tax News Update*, May 30, 2001)

The Metropolitan Transportation Commission recently commissioned a poll of San Francisco Bay area residents to determine if those surveyed would be willing to pay higher taxes and fees to help reduce traffic congestion. **Of those surveyed, the following results were found: 70 percent indicated they would support a half-cent county sales tax, 64 percent indicated support of a \$5 increase in motor vehicle registration fees, 58 percent supported a California bond measure, and 23 percent supported increased gas taxes.** (Source: *CALSTART News Notes*, May 25, 2001)

AFV Fleet Acquisitions

On June 15, the South Coast Air Quality Management District (SCAQMD) approved \$17.9 million in grants for the purchase of cleaner-burning school buses in 28 school districts in Los Angeles, Orange, San Bernardino and Riverside counties. The grants will be used for the purchase of 102 compressed natural gas (CNG) school buses, CNG fueling stations for the buses, and 67 lower-emission diesel school buses. (Source: *EV World*, June 21, 2001)

On June 15, 10 22-foot long, all-electric shuttle buses were delivered to the city of Anaheim, California. These buses will be used to provide transportation for tourists visiting the Anaheim Resort™. Known as the Anaheim Resort Transit Fleet, the buses were manufactured by Ebus, Inc., of Downey, California. The City of Anaheim; the Anaheim Public Utilities Department; and the Anaheim Transportation Network, a local nonprofit organization, developed the fleet. (Source: *EV World*, June 16, 2001)

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ENERGY MANAGEMENT TOOLS AND TECHNOLOGY

➤ See also [Attachment D](#) *New Technologies*.

SOFTWARE AND TECHNICAL ASSISTANCE TOOLS

The Association of Energy Engineers has published the fourth edition of its Energy Management Handbook. Topics include boilers, lighting and electricity, HVAC, building envelopes, natural gas purchasing, codes and standards, and indoor air quality. New chapters contain information on market restructuring, direct contact water heating, alternative financing, and cogeneration. Order online at www.aeecenter.org or by calling (770) 925-9558.

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NEW AND EMERGING TECHNOLOGIES

Power Measurement's metering application, **MeterMail, verifies whether consumers have curtailed energy demand and reports the results via the Internet.** Designed for utility companies, MeterMail can also be used in Federal facilities to monitor conservation programs. For more information, call (877) METER-IT or visit www.pmi.com.

PowerOneData is releasing its Advanced Metering System (AMS). The metering tool captures energy-use information to a data center via existing phone lines. The analytical tool breaks down energy consumption over 24-hour periods. Reports can be customized for several applications, and PowerOneData intends to make AMS as cost-effective as traditional time-of-use metering. For more information, see www.poweronedata.com.

MEETINGS, CONFERENCES, AND TRAINING WORKSHOPS

GENERAL

- Refer to [Attachment E](#) – Calendar of Upcoming Events.

GENERAL ANNOUNCEMENTS

National Technology Transfer, Inc., is conducting a seminar, Centrifugal Pumps, at various locations this summer. The seminar will be held in Hartford, CT, on July 26-27; Baltimore on July 19-20; Boston on July 24-25; Detroit on August 21-22; Albany, NY, on July 31-August 1; Buffalo, NY, on August 2-3; Columbus, OH, on August 13-14; Philadelphia on July 17-18; Pittsburgh on August 15-16; Williamsburg, VA, on July 9-10; and Washington, DC, on July 11-12. For more information call (800) 922-2820 or go to www.nttinc.com.

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ATLANTA REGION

No new meetings of interest.

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BOSTON REGION

No new meetings of interest.

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CHICAGO REGION

F-Cells Network is sponsoring the conference Fuel Cells for Transportation: Developing a Commercially Viable Fuel Cell Product and Hydrogen Infrastructure. The conference will be held July 16-17 in Chicago, and it will cover various transportation fuel cell programs from the Department of Defense, DOE, and private industry. For more information, go to www.iqpc.com.

The Fifth International Distributed Power Conference “Powering the Future: New Strategies and Solutions for Deploying Distributed Power in the Marketplace” will be held September 24-26 in Chicago. Topics will include power needs for digital applications, renewable fuels, and system control innovations. For more information, contact Barbara Wilkie at (207) 781-9623 or go to www.intertechusa.com/Division_Energy/09-01_DCPFall/2a_introduction.html.

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DENVER REGION

Sandia National Laboratory is sponsoring the Photovoltaic Systems Symposium in Albuquerque, NM, on July 18-20. Topics include roadmapping, research goals, field performance issues, rural opportunities, government development programs, and related topics. For more information, go to www.sandia.gov/pv/syssyp.htm.

Colorado State University is hosting the 17th Annual Mobile Sources/Clean Air Conference in Estes Park, CO, on September 11-14. Topics will include vehicle emissions inspections, vehicle emissions technologies, the Clean Cities Program, an EPA town meeting, and more. For more information, go to www.ncvecs.colostate.edu/dac.docs/cac17.docs/cac17_announce.html.

The Center for Business Intelligence (CBI) is sponsoring a conference, Distributed Generation (DG), in Denver on September 24-25. The CBI event will examine five cases; other topics will include FERC and state DG approaches, codes and standards, load reduction, and cost reductions. For more information, go to www.cbinet.com.

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PHILADELPHIA REGION

The House and Senate Renewable Energy and Energy Efficiency Caucuses, Global Legislators Organization for a Balanced Environment, and the Environmental and Energy Study Institute are sponsoring a Congressional briefing called Wind Power: Increasing Energy Supply, Improving the Environment and Providing Rural Economic Development. Senator Byron Dorgan (D/ND) will be the keynote speaker. Robert Dixon, Deputy Assistant Secretary of the Office of Power Technologies, will be a member of the expert panel. The briefing is June 27 in Washington, DC. For more information, contact Beth Bleil at (202) 662-1885 or bbleil@eesi.org.

The Office of Energy Efficiency and Renewable Energy is holding a public workshop for residential furnace and boiler efficiency standards. The informal workshop will be held July 17 in Washington, DC. For more information, contact Cyrus Nasserri at (202) 586-9138 or email cyrus.nasserri@ee.doe.gov.

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SEATTLE REGION

The Solar Electric Power Association will hold its annual conference, UPEX '01: The Photovoltaic Conference and Exhibition, in Sacramento, CA, on October 4. The focus will be on photovoltaic technology's place in balanced power portfolios. For more information, contact Julia Judd at (202) 857-0898 or jjudd@ttcorp.com, or go to www.ttcorp.com/upvg/upex200.

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STUDIES, REPORTS, AND ANALYSES

ENERGY AND WATER CONSERVATION

Understanding Residential Green Energy Buyers: A Market Research Survey, E Source, June 200.

E Source conducted a survey and analyzed the resulting data to **determine who the typical green power purchaser is**. The report concluded that green power buyers are more prevalent in New England and the Pacific Northwest. They are well educated and politically liberal. They are also committed to buying green power even if the price increases by \$1 per month. For more information, contact Adam Capage at (720) 548-5404. (Source: *E-Wire*, June 13, 2001)

***Vital Signs 2001: The Trends That Are Shaping Our Future*, Worldwatch Institute, May 31, 2001.**

Among other trends, the report notes that **90 percent of commercial energy use is still from fossil fuels**. (Source: *Environmental News Network*, May 31, 2001)

***Report to the Committee on Foreign Relations, U.S. Senate: United Nations Planning for Headquarters Renovation Is Reasonable; United States Needs to Decide Whether to Support Work*, General Accounting Office (GAO) , June 2001.**

GAO has determined that the plans for renovating the UN building are reasonable and urges Congress to determine whether the U.S. will offer support. The renovation is also intended to incorporate energy efficiency. To obtain a copy of the report, call (202) 512-6000 or send an email with the word “info” in the body text to info@www.gao.gov. The GAO’s web site, www.gao.gov, contains additional information.

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UTILITY-RELATED ISSUES

***The Impact of Wholesale Electricity Price Controls on California Summer Reliability*, U.S. Department of Energy, June 20, 2001.**

The report claims that the **imposition of price controls in California could double the number of rolling blackouts this summer**. DOE analyzed two proposals, a \$150 hard cap and a “cost plus \$25” soft cap, and warned that both would force further blackouts. To read the entire report, go to www.energy.gov.

***Distributed Power Technology Markets 2000 Study*, Xenergy, June 2001.**

Xenergy identifies five barriers to the distributed power market: utility tariffs, limited customer understanding, lack of necessary metering, environmental permitting, and control of load management. For more information, contact Francis Cummings at (781) 273-5700 or ahouston@xenergy.com.

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CLIMATE CHANGE

***Climate Change Science: An Analysis of Some Key Questions*, National Research Council (NRC), June 2001.**

An NRC committee warned that greenhouse gases are causing the Earth’s average surface temperature to rise. Warming is expected to continue, but scientists are unsure how much of the warming is due to human causes. The report points to carbon dioxide as “the greenhouse gas of most concern.” Download the entire report at books.nap.edu/html/climatechange.

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ATTACHMENT A

STATUS OF FY 2002 APPROPRIATIONS BILLS

(In Billions)

HOUSE

SENATE

<i>Jurisdiction/ FY 2002 Budget Request</i>	<i>302(b) Allocations</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>	<i>302(b) Allocations</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>
Agriculture \$ 15.409	\$ 15.519	TBA	(\$15.67) 6/13	<i>Week of 6/25</i>						
Commerce \$ 37.944	\$ 38.541									
Defense \$300.962	\$300.292									
Energy and Water Development \$ 22.517	\$ 23.704		(\$23.7) 6/19	6/25						
Interior \$ 18,092	\$ 18.941		(\$18.9) 6/13	(\$18.9) 6/21						
Labor / HHS \$115.682	\$119.758									
Military Construction \$ 9.650	\$ 10.155									
Transportation \$ 14.891	\$ 14.893		(\$59) 6/22	6/25						
Treasury \$ 16.488	\$ 16.880									
VA/HUD \$ 83.683	\$ 84.159									
Total 302(b) Allocations/ FY 2002 Budget Request \$658.792	\$661.300									

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ATTACHMENT B

NEW LEGISLATION OF INTEREST TO FEMP

House

Number	Short title	Date	Sponsor	Key Provisions	Status
<i>H.R.2230</i>	<i>No Short Title</i>	June 19	Peter T. King (R/NY)	Amends section 211 of the <i>Clean Air Act</i> ; prohibits the use of methyl tertiary butyl ether (MTBE) as a fuel additive.	Referred to the Committee on Energy and Commerce
<i>H.R.2233</i>	<i>No Short Title</i>	June 19	Jerrold Nadler (D/NY)	Establishes a “Community Power Investment Revolving Loan Fund” in the Department of Treasury; Authorizes DOE to provide loans to state or local governments for a number of purposes including: community development assistance programs; energy efficiency and conservation programs; incentives for new renewable energy resources; increased and rapid deployment of microturbines, fuel cells, combined heat and power systems, advanced internal combustion engine generators, advanced natural gas turbines, energy storage devices; local communities for distributed energy resources R&D; and for education and public information programs; Amends section 206 of <i>Federal Power Act</i> .	Referred to the Committee on Energy and Commerce and Committee on Ways and Means
<i>H.R.2249</i>	<i>Gasoline Access and Stabilization Act of 2001</i>	June 20	Roy Blunt (R/MO) <i>Committee on Energy and Commerce</i>	Amends section 211 of the <i>Clean Air Act</i> ; Requires a uniform, national formula be established for all reformulated and oxygenated gasoline; eliminates sulfur reduction phase-in requirement for diesel fuel.	Referred to the Committee on Energy and Commerce

Senate

Number	Short Title	Date	Sponsor	Key Provisions	Status
<i>S. 1058</i>	<i>Biodiesel Renewable Fuels Act</i>	June 19	Tim Hutchinson (R/AR)	Amends <i>Internal Revenue Code of 1986</i> ; Establishes biodiesel fuels tax credit for farmers and producers of biodiesel.	Referred to Committee on Finance
<i>S. 1068</i>	<i>Electricity Gouging Relief Act of 2001</i>	June 20	Barbara Boxer (D/CA)	Amends section 206 of the <i>Federal Power Act</i> ; Requires the Federal Energy Regulatory Commission (FERC) to order refunds for past electricity prices FERC determined were “unjust and unreasonable.”	Referred to the Committee on Energy and Natural Resources

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ATTACHMENT C

HEARINGS SCHEDULE

HOUSE – APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>June 25</i> – Committee on Appropriations <i>(NEW)</i>	Bill Young (R/FL))	<i>Mark-up – FY 2002 Appropriations for Energy and Water Development (includes DOE's renewable energy programs)</i>	N/A	3:30 p.m. Room 2359 Rayburn Office Building

HOUSE – AUTHORIZATIONS/OVERSIGHT

No new hearings of interest have been scheduled.

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HOUSE – FLOOR ACTIVITIES

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>June 26</i> – Floor Action (Tentative) <i>(NEW)</i>	N/A	<i>Debate</i> – FY 2001 Transportation Appropriations Bill	N/A	Time – TBA House Chamber – The Capitol
<i>Week of June 25</i> – <i>(NEW)</i>	N/A	<i>Debate</i> – FY 2002 Appropriations bill for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies	N/A	Time – TBA House Chamber – The Capitol

SENATE – APPROPRIATIONS

No new hearings or floor debates have been scheduled.

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>June 28</i> – Committee on Energy and Natural Resources	Jeff Bingaman (D/NM)	<i>Hearing</i> – Climate Change	TBA	9:30 a.m. Room 366 Dirksen Office Building

SENATE – CONFIRMATION

No candidate hearings or votes of interest are scheduled for this week.

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ATTACHMENT D

NEW TECHNOLOGIES

For informational purposes only. Listing does not imply endorsement.

Technology	Manufacturer	Manufacturers Claim	Contact
Lighting			
Occupancy sensor	SensorSwitch, Inc.	Passive microphonic sensors that switch on when there is more than background noise	www.lightsearch.com
Sub-mini CFL	MaxLite Corp.	Long life, efficient replacement for incandescents; small size allows wider range of applications	www.maxlite.com/sld010.htm
LCM lighting controls	PLC-Multipoint	Controls lighting based on actual footcandles to save energy	www.energyusernews.com
HVAC			
Rooftop units	Modine	AC units with heating meet ASHRAE Standard 62-1999	www.energyusernews.com
Model YB Millennium chiller	York	Runs on natural gas with variable-speed technology	www.energyusernews.com
Appliances			
Refrigerator	Microfridge	"Save thousands of dollars in energy costs"	10 Walpole Park South Walpole, MA 02081
Clothes washer	Maytag	"Save up to 42% on water costs," "63% on gas costs," 42% on sewer costs"	10 Walpole Park South Walpole, MA 02081
Appliance controller	Tjernlund Products, Inc.	Interlock four appliances with power vents, air inakes, variable voltage, etc.	www.tjernlund.com
Motors	WEG	"Premium-efficiency motors now meet the levels set by the Consortium for Energy Efficiency."	www.energyusernews.com
Power Controller			
Power system controller	Kohler	Controls, monitors, and analyzes data from power systems	www.energyusernews.com

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ATTACHMENT E

MEETINGS, CONFERENCES, AND OTHER EVENTS

NOTE: New events are highlighted in **blue**.
DOE-sponsored events are highlighted in **red**.

ATLANTA REGION

DATE	EVENT	SPONSOR
September 17-21, 2001	Fifth Biomass Conference of the Americas Orlando, FL	DOE, USDA, NREL, Natural Resources Canada
October 24-27	Excellence in Building 2001 Orlando, FL	Energy and Environmental Building Association

BOSTON REGION

DATE	EVENT	SPONSOR
July 16-19, 2001	The 2001 National Workshop on State Building Energy Codes Burlington, VT	DOE
July 24-25, 2001	Centrifugal Pumps Boston, MA	National Technology Transfer, Inc.
July 26-27, 2001	Centrifugal Pumps Hartford, CT	National Technology Transfer, Inc.
July 24-27, 2001	Increasing Productivity Through Energy Efficiency Tarrytown, NY	American Council for an Energy Efficient Economy
July 31- August 1, 2001	Centrifugal Pumps Albany, NY	National Technology Transfer, Inc.
August 2-3, 2001	Centrifugal Pumps Buffalo, NY	National Technology Transfer, Inc.

CHICAGO REGION

DATE	EVENT	SPONSOR
July 16-17, 2001	Fuel Cells for Transportation: Developing a Commercially Viable Fuel Cell Product and Hydrogen Infrastructure Chicago, IL	F-Cells Network
August 13-14, 2001	Centrifugal Pumps Columbus, OH	National Technology Transfer, Inc.
August 21-22, 2001	Centrifugal Pumps Detroit, MI	National Technology Transfer, Inc.

DATE	EVENT	SPONSOR
August 27-27, 2001	Fundamentals in Lighting Efficiency Cleveland, OH	Association of Energy Engineers
August 29-30, 2001	Integrated Energy Efficiency Conference and Facilities Management and Maintenance Expo Cleveland, OH	Association of Energy Engineers
September 24-26, 2001	Powering the Future: New Strategies and Solutions for Deploying Distributed Power in the Marketplace Chicago, IL	Intertech USA

DENVER REGION

DATE	EVENT	SPONSOR
July 18-20, 2001	Photovoltaic Systems Symposium Albuquerque, NM	Sandia National Laboratory
September 11-14, 2001	17th Annual Mobile Sources/Clean Air Conference Estes Park, CO	Colorado State University
September 24-25, 2001	Distributed Generation Denver, CO	Center for Business Intelligence
October 14-17, 2001	National Center for Photovoltaics Program Review Lakewood, CO	National Renewable Energy Laboratory, Sandia National Laboratory

PHILADELPHIA REGION

Date	Event	Sponsor
June 27, 2001	Wind Power: Increasing Energy Supply, Improving the Environment and Providing Rural Economic Development Washington, DC	House Renewable Energy and Energy Efficiency Caucus Senate Renewable Energy and Energy Efficiency Caucus Global Legislators Organization for a Balanced Environment Environmental and Energy Study Institute
July 9-10, 2001	Centrifugal Pumps Williamsburg, VA	National Technology Transfer, Inc.
July 11-12, 2001	Centrifugal Pumps Washington, DC	National Technology Transfer, Inc.

Date	Event	Sponsor
July 17, 2001	Public Workshop on Residential Furnace and Boiler Efficiency Standards Washington, DC	Office of Energy Efficiency and Renewable Energy
July 17-18, 2001	Centrifugal Pumps Philadelphia, PA	National Technology Transfer, Inc.
July 19-20, 2001	Centrifugal Pumps Baltimore, MD	National Technology Transfer, Inc.
August 15-16, 2001	Centrifugal Pumps Pittsburgh, PA	National Technology Transfer, Inc.

SEATTLE REGION

DATE	EVENT	SPONSOR
July 23-24, 2001	Managing Electric Power Through Deregulation Sacramento, CA	National Institute for Government Innovation
September 30-October 5, 2001	Photovoltaic Experience Conference Sacramento, CA	Solar Electric Power Association
October 4, 2001	UPEX '01: The Photovoltaic Conference and Exhibition Sacramento, CA	Solar Electric Power Association
December 10-12, 2001	World of Water Las Vegas, NV	Water World and Industrial Water World

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